



# **Housing Delivery Test Action Plan for South Cambridgeshire**

6 September 2019





## Purpose

1. To provide a Housing Delivery Test Action Plan for South Cambridgeshire as required following publication of the Housing Delivery Test results in February 2019.

## Background

### What is the Housing Delivery Test?

2. The updated National Planning Policy Framework published in July 2018 introduced the Housing Delivery Test (HDT), which is an annual assessment of actual housing delivery over the previous three years against the housing requirement for the district for that same period.
3. The methodology for calculating the HDT results is set out in the [Housing Delivery Test Measurement Rule Book](#). In summary, the housing delivery for the district is taken from annual statistical returns to the Ministry of Housing, Communities and Local Government (MHCLG), and the housing requirement is either taken from the latest adopted Local Plan (where this is less than five years old) or by calculating the local housing need for the district using the standard methodology as set out in National Planning Practice Guidance once the Local Plan is more than five years old. For the first HDT results published in February 2019 that looks at the three year period from 2015-2018 there are transitional arrangements relating to the housing requirement element of the assessment, such that it is based on household projection figures rather than the adopted housing requirement.
4. National planning policy sets out the consequences of different results of the HDT, and they are as follows:

| A HDT result of ...        | Consequences  |
|----------------------------|---|
| Less than 95%              | An Action Plan is required which should assess the causes of under delivery and identify actions to increase delivery in future years. An Action Plan should be published within 6 months of the HDT results being published. |
| Less than 85%              | A buffer of 20% should be applied to the five year supply calculations.<br><br>Note: a buffer of 20% is already being applied to the Greater Cambridge five year supply calculations as set out in the adopted Local Plans.   |
| Less than 25% <sup>1</sup> | A presumption in favour of sustainable development applies – in the same way as if you cannot demonstrate a five year supply.   |

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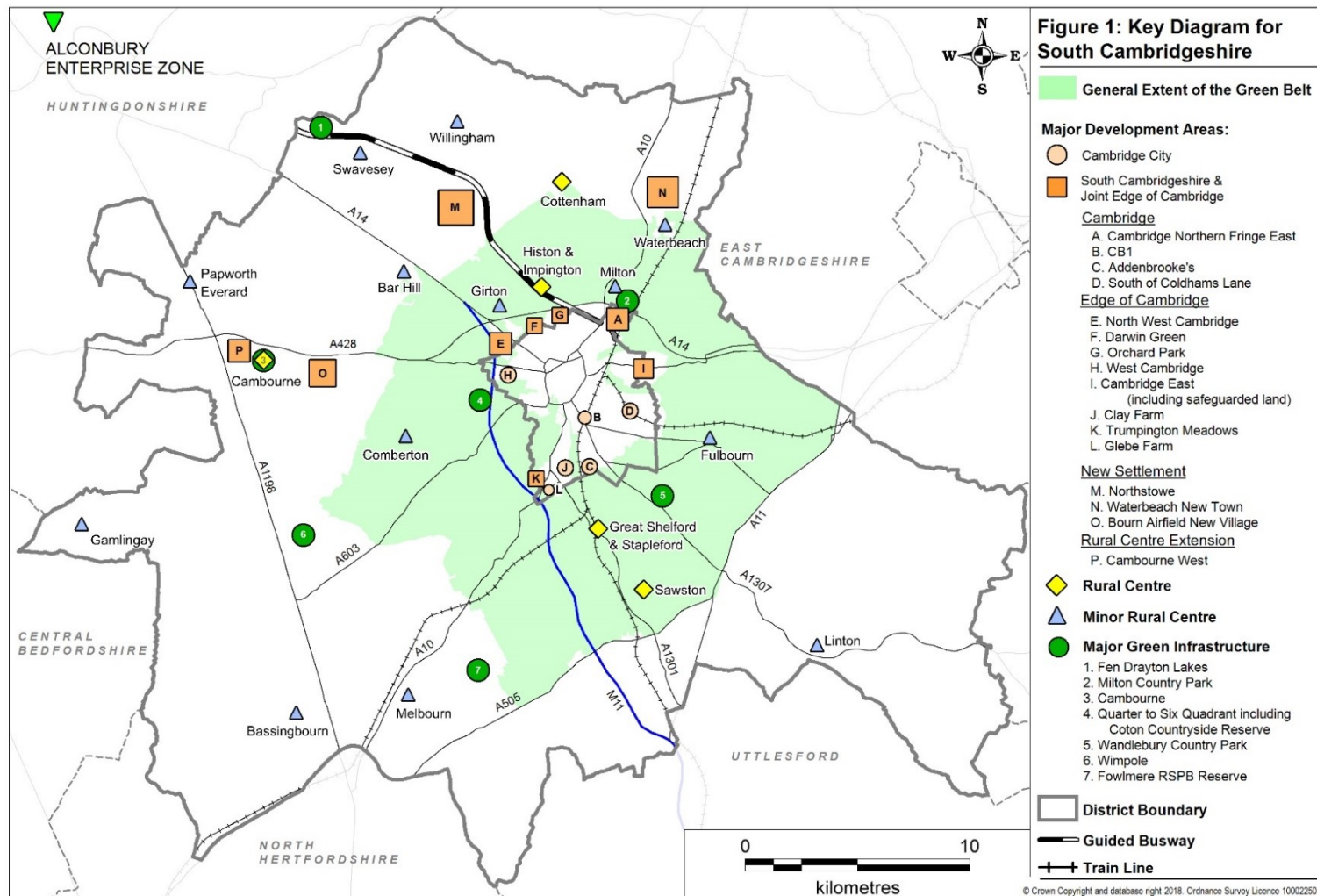
<sup>1</sup> For the HDT results published in November 2019, the percentage at which this consequence applies increases to 'less than 45%', and from November 2020 onwards, the percentage increases to 'less than 75%'.

## What are the Housing Delivery Test results for Greater Cambridge and why is a Housing Delivery Test Action Plan being prepared?

5. The HDT results for 2015-2018 were published in February 2019. They have been published for individual Councils and the results for the Greater Cambridge authorities are as follows:
  - Cambridge: 388%
  - South Cambridgeshire: 78%
6. On the basis of considering the Councils separately, there are no consequences for Cambridge, however for South Cambridgeshire a Housing Delivery Test Action Plan must be prepared as delivery is less than 95%. A buffer of 20% also needs to be applied to the five year supply calculations for South Cambridgeshire as the HDT is less than 85%. However this is not an additional consequence as a buffer of 20% is already being applied to the Greater Cambridge five year supply calculations as set out in the adopted Local Plans.

## Functional relationship between South Cambridgeshire and Cambridge

7. There is a close functional relationship between Cambridge and South Cambridgeshire that has long been recognised in planning terms. In accordance with the duty to co-operate, the Councils worked closely together throughout the preparation of their respective Local Plans to prepare complementary plans that set out a clear development strategy for the Greater Cambridge area (which comprises of the local planning authorities of Cambridge City Council and South Cambridgeshire District Council). Figure 1 shows the development strategy for Greater Cambridge.
8. The phasing of development outlined in the South Cambridgeshire Local Plan (adopted September 2018) and the Cambridge Local Plan (adopted October 2018) follows the development sequence for the combined Greater Cambridge area and carries forward the strategy from the previously adopted plans for the area. As expected, development is coming forward within the urban area of Cambridge and on the edge of Cambridge early in the plan period with new settlements following later in the plan period as they have a longer lead-in time before the start of delivery. In particular, the fringe sites that were released from the Green Belt in the last round of plan making are now well underway and delivering new homes, jobs and associated infrastructure on the ground. These cross-boundary sites are logically building out from the edge of the existing built-up area with more homes being built in Cambridge in the early part of the plan period and then moving into South Cambridgeshire later on.
9. This is evidenced by the graph in Appendix A which shows the overall trend in delivery rates in each district overlaid with each other. This demonstrates that Cambridge is providing more than its annualised average figure early on, tapering down later, and South Cambridgeshire is building up towards its annualised average early in the plan period and delivering significantly more later in the plan period. Considering the two trajectories together is logical, and recognises an appropriate and more even delivery of housing across the Greater Cambridge area. The data in Appendix A is taken from the Greater Cambridge housing trajectory published in the Greater Cambridge Housing Trajectory and Five Year Housing Land Supply – Main Document (September 2019).



# Housing Delivery Test Action Plan

## a. Agreements with Cambridge City Council

10. A number of agreements between South Cambridgeshire District Council and Cambridge City Council are relevant to the HDT:

- Joint five year housing land supply embedded in adopted Local Plans 2018
- Statement of Common Ground for HDT to be considered jointly
- Setting up of a Greater Cambridge Shared Planning Service
- Preparing a joint Greater Cambridge Local Plan
- Joint Greater Cambridge Housing Strategy 2019-2023 prepared

## Joint Five year Housing Land Supply embedded in adopted Local Plans 2018

11. The Local Plans for Cambridge and South Cambridgeshire adopted in October and September 2018 respectively both state that “the housing trajectories for Cambridge and South Cambridgeshire, ..., will be considered together for the purposes of phasing of housing delivery, including for calculating 5-year housing land supply ...”. The Councils proposed that five year supply be considered jointly in a Memorandum of Understanding in September 2014.

12. The Inspectors concluded through the examinations of the Local Plans that the five year supply for Cambridge and South Cambridgeshire should be considered jointly (i.e. for Greater Cambridge as a whole) and recommended that the wording set out above be included in both Local Plans. The Inspectors conclusions were as follows:

43. During the Examination the District Council, together with Cambridge City Council, prepared a Memorandum of Understanding (RD/Strat/350) which advocates the use of a joint housing trajectory for the two authorities. The foundation for the Cambridge City Local Plan and the South Cambridgeshire Local Plan is the Sustainable Development Strategy Review, as discussed under issue 1 above. Although a joint plan has not been prepared the two plans are both based on the SDSR, as explained above. In the early years of the Plan period, the majority of development in sites on the edge of Cambridge is likely to take place within the administrative area of the City whereas in the later years of the plan period most development will take place within South Cambridgeshire, including at the new settlements. The Memorandum of Understanding will therefore assist in securing sustainable development in accordance with the SDSR.

44. Planning Practice Guidance Ref 010 2a-010-20140306 advises: Where there is a joint plan, housing requirements and the need to identify a five year supply of sites can apply across the joint plan area. The approach being taken should be set out clearly in the plan. The use of the joint trajectory across the two plans will be a temporary measure until a joint local plan is prepared (see issue 17), which will bring the situation fully into line with PPG. In all the circumstances, this is a reasonable approach.

13. The adopted Local Plans do not specifically mention the HDT due to the test only formally being introduced in July 2018. However, they say that “the housing trajectories for Cambridge and South Cambridgeshire, ..., will be considered together for the purposes of phasing of housing delivery, including for calculating 5-year housing land supply ...” The Local Plan therefore sets a policy position for a joint approach to considering phasing of housing delivery in the round and not only in terms of five year housing land supply.

### Statement of Common Ground for HDT to be considered jointly

14. The HDT relates to phasing of housing delivery against Local Plan requirements, and it is necessary therefore and logical to consider housing delivery consistently with the approach found to be sound and set out in the adopted Local Plans, namely that the housing trajectories for Cambridge and South Cambridgeshire, ..., will be considered together for the purposes of phasing of housing delivery (see paragraph 11 above).
15. The published HDT Rule Book takes a similar approach to the Planning Practice Guidance referred to above in respect of five year supply, in saying that in the case of joint Local Plans the HDT can be considered jointly. The Local Plan Inspectors concluded it was reasonable to consider five year supply jointly having regard to this national policy context and the Councils take the view that it is rational to reach the same conclusions for HDT that the Inspectors reached for five year supply having regard to all the circumstances. Indeed it would be perverse for there to be a different conclusion for the HDT than for five year supply as both relate to the phasing of housing delivery and both are informed by the joint development strategy.
16. South Cambridgeshire District Council and Cambridge City Council have agreed that South Cambridgeshire and Cambridge should be considered together for the purposes of the Housing Delivery Test. This position is set out in a Statement of Common Ground, attached as Appendix B.
17. The agreement between the Councils supports the joint development strategy and sequence and is about when housing completions will be delivered, appropriate to that strategy. The adopted Local Plans and published joint housing trajectory are evidence of the phasing of housing delivery. Cambridge is demonstrably delivering housing within the urban areas and urban fringe sites during the early and middle parts of the plan period. South Cambridgeshire will deliver in the urban fringe sites and at new settlements, with an emphasis on the middle and latter parts of the plan period, but with an element of earlier delivery from village housing allocations and windfall planning permissions. This is a logical, sustainable and appropriate way of delivering sites that meet the combined housing need across the Greater Cambridge footprint area.

### Setting up of a Greater Cambridge Shared Planning Service

18. Cambridge City and South Cambridgeshire District Councils have merged their planning services into a new Greater Cambridge Planning Service covering both districts with the aim of improving service performance, increasing service resilience, and improving recruitment through enhanced career opportunities. It was formally established on April 2018.



19. Actions to date in establishing the new service in respect of housing delivery include:
  - Appointment of the shared service Planning Director in July 2016
  - Appointment of two Assistant Directors in summer 2018
  - Appointment of a single Delivery Manager in summer 2018
  - Appointment of a new Strategic Sites Manager from September 2019
20. In the short to medium term, housing delivery will be speeded up through more efficient development management. Ensuring adequate staffing is recognised as essential and to this end the service is currently recruiting to 16 officer posts in Development Management and the Strategic Sites teams comprising 7 principal officers, 5 senior officers and 4 planning officers.
21. A range of factors influence the pace of housing delivery. Many of these lie outside the control of the local planning authority. These include market conditions, such as static house price growth, slowdown in market, fall in sales values, low market confidence, sales generally taking longer, and changing demand for products. Other factors are also relevant such as rising construction costs as a result of shortage of skilled labour and materials.
22. However, there are measures that the local planning authority can take to assist housing delivery. The shared planning service implementation plan includes a range of measures to provide a more resilient service. To support efficient working a single planning application software package is soon to be implemented for Greater Cambridge and an ongoing series of workstreams to rationalise and streamline working processes and practices is in train to create efficiencies in the shared service, including in respect of people, customer and processes, legal/finance/funding, and service design. Measures such as a dedicated Strategic Sites Team, ensuring a focus on determining planning applications and discharge of conditions for key sites, and securing Planning Performance Agreements can play an important role in supporting housing delivery. Member training and briefing events are also continuing, in particular for Planning Committee and the dedicated Joint Development Control Committee (for strategic sites). These measures will all feed into an enhanced service, which will help maximise service delivery.

## Preparing a Joint Greater Cambridge Local Plan

23. The adopted Local Plans for Cambridge and for South Cambridgeshire (adopted 2018) provide an up to date Development Plan for the area. However, in terms of longer term housing delivery, keeping the Development Plan up to date is vital. Work on a joint Greater Cambridge Local Plan was agreed in a joint Greater Cambridge Local Development Scheme in October 2018. Work started in 2019 with initial stakeholder engagement undertaken in July 2019 and an Issues and Options consultation is planned to start in November 2019. This is consistent with a policy contained in the adopted Local Plans committing to preparing a joint Local Plan. The shared planning service will help ensure an efficient plan making process. To enable work to proceed expeditiously recruitment of 1 principal policy officer, 2 senior planning policy officers and 2 planning officers is underway.



## Joint Greater Cambridge Housing Strategy 2019-2023 prepared

24. A joint Greater Cambridge Housing Strategy was agreed in 2019. The Greater Cambridge Housing Strategy is a high level document that sets out the strategic direction for housing activity in Cambridge City and South Cambridgeshire District. Its purpose is to set the context as to how both councils aim to meet the housing challenges facing the area, setting out key priorities for action. The Strategy aims to help ensure the right homes are being built in the right places that people need and can afford, and that support is available where required so that everyone has the opportunity to live settled, healthy lives. It paves the way to the Councils working together in the future to deliver the homes needed to support the growing economy in Greater Cambridge. The strategy focuses on the levers and influence the Councils have in terms of providing new homes and ensuring our existing homes are in good condition.
25. The Housing Strategy sets out the Councils' commitment to working with housing associations, developers, planners and others to tackle the shortage of affordable housing in new and innovative ways. It recognises that everyone has different needs when it comes to the homes people live in. It sets out that the Councils want to create a place where people have choice, through ensuring that a wide range of different types of housing are available, which at the same time can help accelerate rates of delivery. Also a desire to see provision of diversity in how homes are delivered so the area is not solely reliant on a handful of developers to build the homes, including the affordable housing needed.
26. The Housing Strategy confirms that the Councils are also keen to explore new ways of delivering different types of housing - such as community-led development, including cooperative-housing and Community Land Trusts, and self-build homes. They are committed to working with developers to accelerate housing delivery, e.g. through off-site and modular construction homes and supporting SME builders to bring forward smaller sites. The Councils will review outstanding planning permissions and work with developers to ensure that schemes are built out in a timely manner. Also to work proactively to build on existing and new relationships with key organisations, housing associations and developers.
27. By far the largest investors in new housing are private developers, through direct provision of new homes and through S106 contributions to affordable housing and other facilities and infrastructure. The Housing Strategy is clear that both authorities are keen to strengthen relationships with existing and potential developers of all sizes, to help ensure that the right homes are delivered in the right places, together with timely provision of infrastructure.

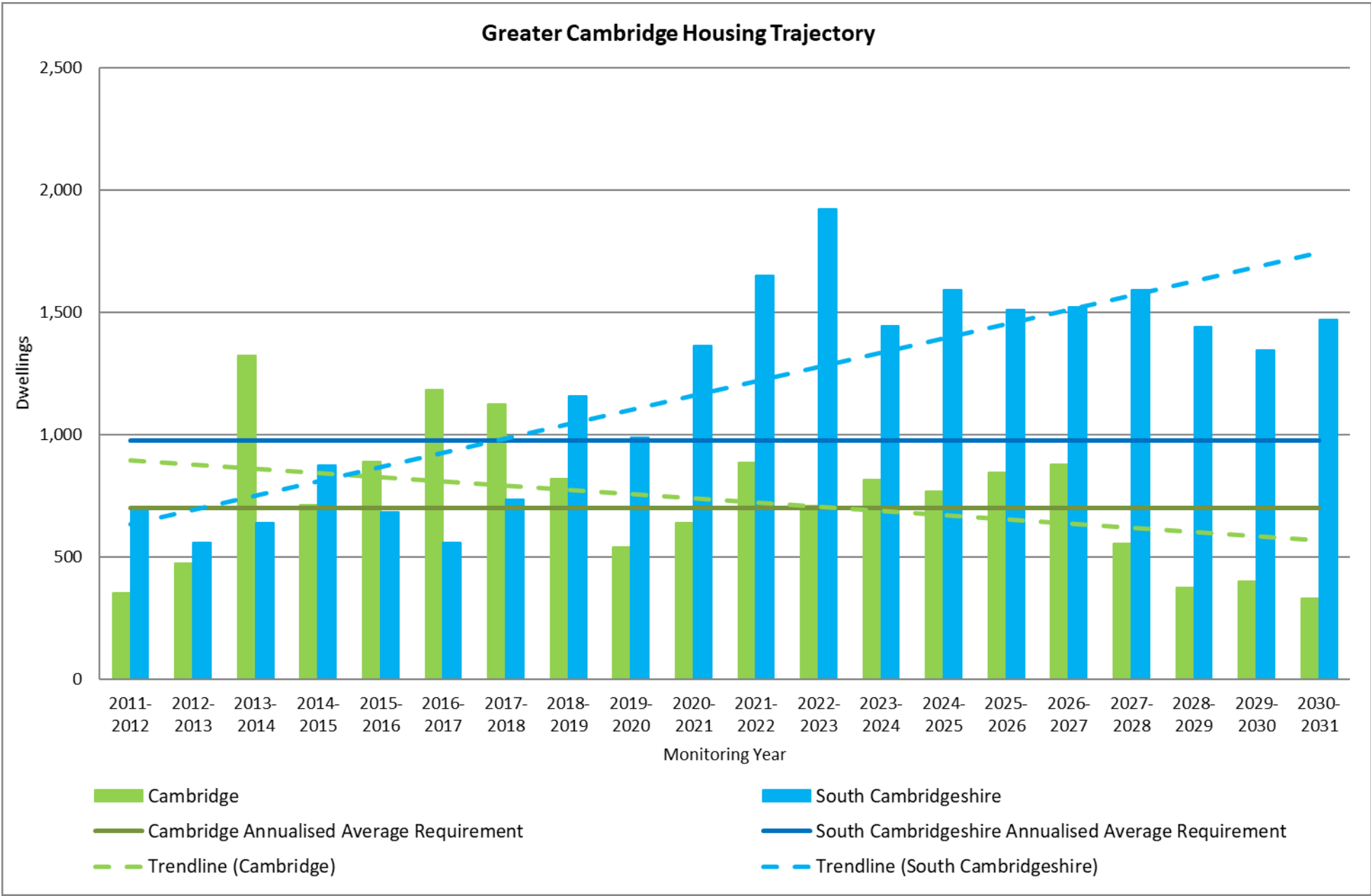
### b. Case for considering HDT jointly for Cambridge and South Cambridgeshire

28. The Councils have confirmed through the signing of a Statement of Common Ground that they commit to the housing completions for the two areas being considered together for the purposes of calculating the HDT results (see Appendix B). If the HDT were applied to Greater Cambridge, the result would be 165% and an Action Plan would not be required.

29. Greater Cambridge, as an area, is unique as it is the only place in the country where one administrative area completely surrounds another with very tightly drawn boundaries around an entire urban area. As such this approach to the HDT is appropriate and is consistent with the Inspectors' conclusions for the aligned but separate adopted Local Plans with a single joint development strategy, and national guidance for five year supply.
30. The Greater Cambridge City Deal is evidence that the Government recognises the strong inter-relationship between the two areas and the appropriateness of working across Greater Cambridge. The City Deal document says that "The partner authorities have worked closely together on the new local plans and associated transport strategy and have aligned plan-making processes to achieve the benefits of what amounts to a single overarching development, infrastructure and delivery strategy for Cambridge."
31. The preparation of a joint Local Plan is only one of the ways in which cross border planning issues can be effectively addressed. In Greater Cambridge the Councils have currently addressed these issues in an effective and rational way without the preparation of a joint Local Plan. Notwithstanding, the Councils have started the process of preparing a joint Local Plan, with Issues and Options consultation planned to take place before the end of 2019, a factor taken into account by the Local Plan Inspectors in concluding that a joint approach to five year housing land supply was an appropriate approach in all the circumstances. For all the above reasons, the Councils position is that South Cambridgeshire and Cambridge should be considered jointly for the purposes of the HDT. If that were not accepted, that outcome would be inconsistent with the strategy for both Local Plans and with the activities and agreements with Cambridge City Council outlined in this document. As an approach this provides an effective Action Plan for further improvements in housing delivery in Greater Cambridge.

Appendix A: Greater Cambridge Housing Trajectory 2011-2031

|                      | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 | 2029-2030 | 2030-2031 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Cambridge            | 352       | 474       | 1,321     | 713       | 889       | 1,183     | 1,124     | 817       | 539       | 639       | 885       | 707       | 814       | 768       | 844       | 876       | 554       | 375       | 399       | 330       |
| South Cambridgeshire | 694       | 557       | 639       | 874       | 683       | 559       | 733       | 1,157     | 988       | 1,362     | 1,650     | 1,921     | 1,443     | 1,589     | 1,510     | 1,521     | 1,592     | 1,440     | 1,345     | 1,470     |



Source: Data taken from the Greater Cambridge housing trajectory, published in the Greater Cambridge Housing Trajectory and Five Year Housing Land Supply – Main Document (September 2019).

## Appendix B: Statement of Common Ground between South Cambridgeshire District Council and Cambridge City Council in respect of a Joint Approach to the Housing Delivery Test

1. This Statement of Common Ground between South Cambridgeshire District Council and Cambridge City Council confirms the agreed position between the Councils that they should be considered jointly for the purposes of the Housing Delivery Test, consistent with the joint position on the phasing of housing delivery established in the adopted South Cambridgeshire Local Plan 2018 and the Cambridge Local Plan 2018. It formalises decisions in this regard made by both Councils in January 2019.
2. The Local Plans for Cambridge and South Cambridgeshire adopted in October and September 2018 respectively both state that “the housing trajectories for Cambridge and South Cambridgeshire, ..., will be considered together for the purposes of phasing of housing delivery, including for calculating 5-year housing land supply ...”. The Councils proposed that five year supply be considered jointly in a Memorandum of Understanding in September 2014.
3. The Inspectors concluded through the examinations of the Local Plans that the five year supply for Cambridge and South Cambridgeshire should be considered jointly (i.e. for Greater Cambridge as a whole) and recommended that the wording set out above be included in both Local Plans. The Inspectors conclusions were as follows:
  43. During the Examination the District Council, together with Cambridge City Council, prepared a Memorandum of Understanding (RD/Strat/350) which advocates the use of a joint housing trajectory for the two authorities. The foundation for the Cambridge City Local Plan and the South Cambridgeshire Local Plan is the Sustainable Development Strategy Review, as discussed under issue 1 above. Although a joint plan has not been prepared the two plans are both based on the SDSR, as explained above. In the early years of the Plan period, the majority of development in sites on the edge of Cambridge is likely to take place within the administrative area of the City whereas in the later years of the plan period most development will take place within South Cambridgeshire, including at the new settlements. The Memorandum of Understanding will therefore assist in securing sustainable development in accordance with the SDSR.
  44. Planning Practice Guidance Ref 010 2a-010-20140306 advises: Where there is a joint plan, housing requirements and the need to identify a five year supply of sites can apply across the joint plan area. The approach being taken should be set out clearly in the plan. The use of the joint trajectory across the two plans will be a temporary measure until a joint local plan is prepared (see issue 17), which will bring the situation fully into line with PPG. In all the circumstances, this is a reasonable approach.
4. The adopted Local Plans do not specifically mention the HDT due to the test only formally being introduced in July 2018. However, they say that “the housing trajectories for Cambridge and South Cambridgeshire, ..., will be considered together for the purposes of phasing of housing delivery, including for calculating 5-year housing land

supply ...” The Local Plan therefore sets a policy position for a joint approach to considering phasing of housing delivery in the round and not only in terms of five year housing land supply.

5. The HDT relates to phasing of housing delivery against Local Plan requirements, and it is reasonable and logical to consider that it is covered by conclusions reached by the Local Plan Inspectors and the wording included in the adopted Local Plans saying that the housing trajectories for Cambridge and South Cambridgeshire, ..., will be considered together for the purposes of phasing of housing delivery (see paragraph 2 above).
6. The published HDT Rule Book takes a similar approach to the Planning Practice Guidance referred to above in respect of five year supply, in saying that in the case of joint Local Plans the HDT can be considered jointly. The Local Plan Inspectors concluded it was reasonable to consider five year supply jointly having regard to this national policy context and the particular circumstances of the joint development strategy provided for by both plans to meet development needs. The Councils take the view that it is rational and necessary to reach the same conclusions for HDT that the Inspectors reached for five year supply having regard to all the circumstances. Indeed it would be perverse for there to be a different conclusion for the HDT than for five year supply as both relate to the phasing of housing delivery and both are informed by the joint development strategy.
7. [South Cambridgeshire District Council's Cabinet](#) and [Cambridge City Council's Executive Councillor for Planning Policy & Transport](#) were recommended to agree “to seek agreement from the Ministry of Housing, Communities and Local Government (MHCLG) that South Cambridgeshire and Cambridge should be considered together for the purposes of the Housing Delivery Test”, and this recommendation was agreed by both Councils.
8. The agreement between the Councils supports the joint development strategy and sequence. The adopted Local Plans and published joint housing trajectory are evidence of the phasing of housing delivery consistent with the joint development strategy. Cambridge is demonstrably delivering housing within the urban areas and urban fringe sites in the City during the early and middle parts of the plan period. South Cambridgeshire will deliver in the urban fringe sites in the District and at new settlements, with an emphasis on the middle and latter parts of the plan period, but with an element of earlier delivery from village housing allocations and windfall planning permissions. This is a logical, sustainable and appropriate way of delivering sites that meet the combined housing need across the Greater Cambridge footprint area. The HDT should be considered on a basis which is consistent with the joint development strategy and the housing trajectory, and with the conclusions of the Inspectors into the soundness of the now adopted Local Plans.